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TAGS: [PREL](#) [PGOV](#) [NZ](#)
SUBJECT: SCENESETTER FOR YOUR VISIT TO NEW ZEALAND

Classified By: David Burnett, Charge D'Affaires,
for reasons 1.4 (b) and (d)

11. (C) Mission New Zealand warmly welcomes your visit on January 12-3. New Zealand officials are also eager to meet with you. You will be arriving in New Zealand towards the end of the summer holiday period. With Parliament out of session until mid-February and many families on holiday, things in New Zealand seem especially quiet. But underneath the surface, the Government has real anxiety that it is vulnerable to opposition attacks in a number of areas, including foreign and defense policies and the Government's less than optimal relations with Washington. The officials you meet with will therefore be anxious to court you, and to assure you that there are more things that unite our countries than divide us.

12. (C) The Labour Government appears to have recovered some public support since its near loss to the National Party in September's general elections. PM Clark remains an extremely effective manager, even appearing for the moment to have quashed Foreign Minister Peters' tendency to go off the foreign policy reservation. But Labour's recovery may have less to do with its political prowess than with the fact that the National Party has so far failed to mount an effective opposition.

13. (C) Before Parliament recessed, the opposition had focused on attacking the sometimes mercurial Peters, whom they regard as the awkward governing arrangement's weak spot. It was a damp squib, as ordinary Kiwis didn't get very exercised about Peters. A controversy over press reports that Peters had asked Australia's Foreign Minister Downer to help repair New Zealand's relationship with the United States soon died down, for example. Then again, Peters has been out of the country for much of the past two months, and many of the media are on leave as well. But he remains an issue for the Government, not least because the PM potentially faces calls from both her Foreign Minister and the opposition for her Government to improve its relations with traditional allies Australia and the United States.

14. (C) It's no wonder, then, that senior Labour officials seek to downplay any tensions with us. For example, during their introductory meetings with Ambassador McCormick, both the Prime Minister and Minister Goff stressed that the PM greatly enjoyed her meeting with you on the margins of the Pacific Islands Forum. They made no mention of the frank exchange that our side reported after that meeting. You can

expect Goff to convey the same attitude during your visit. In addition, you may expect the following from your interlocutors here:

15. (C) Minister Goff: Goff is likely to push for further relaxation of US military restrictions on New Zealand, as he did during his first meeting with Ambassador McCormick. He will point to New Zealand's participation with US forces in Proliferation Security Initiative exercises as well as our joint work in Afghanistan as proof that the current restrictions are outdated and counterproductive. He is not, however, likely to mention a recent NZ Defense Force briefing paper that told him U.S. restrictions were harming New Zealand's ability to remain interoperable with Australia's forces. You may want to explain to Goff why our interests elsewhere in the region prevent us from lifting the restrictions, and why New Zealand's policies hurt these interests.

16. (C) Minister Peters: As a Minister outside of Cabinet and head of another party (NZ First) Peters is only obliged to support the Government's line on issues within his portfolio. He's already proved he can and will stretch the definition of support as it suits him. During your meeting, Peters is not likely to follow Goff's attempts to gloss over US-NZ differences, and may emphasize that he wants to improve bilateral relations. Although PM Clark (and to some extent Goff) hold the real power on foreign affairs issues, Peters is a master debater who should not be written off. Ambassador McCormick and other Embassy officials are trying to reach out to him. We recommend you tell him that U.S. officials would welcome hearing his ideas on how both sides can rebuild trust.

17. (C) Simon Murdoch/Roy Ferguson: The CEO of the Ministry of Foreign Affairs and Trade (Murdoch) and New Zealand's next Ambassador to Washington (Ferguson) are both intrigued by Washington agencies' brief review of the US-New Zealand relationship last year. They remain interested in a bilateral attempt to reevaluate and strengthen ties. The two are likely to want to begin low-profile discussions with you on how we can develop a more strategic relationship, given current US restrictions and NZ's anti-nuclear legislation/policies. They may also want to explore what steps both sides would need to follow to improve our relationship were New Zealand to change its policies. The Embassy has cautioned both officials that while we would welcome their thinking on these issues, Washington would not be ready for anything approaching a real dialogue until we see trust-building steps from the New Zealand side. You may want to reiterate this message.
Burnett